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WILLIAM MCALISTER, JR. mcalisterb@cox-internet.com

September 21, 2007

Honorable James H. Welsh Commissioner of Conservation Department of Natural Resources Office of Conservation P. O. Box 94275 Baton Rouge, Louisiana 70804-9275

RE: Proposed Substitute Unit Well at Exceptional Location
Marg Tex Sand, Reservoir D
WEST RIDGE FIELD

Lafayette Parish, Louisiana

Dear Sir:

Application is hereby made on behalf of Stone Energy Corporation for the calling of a public hearing, after ten (10) days legal notice, to consider evidence relative to the issuance of an order pertaining to the following matters relating to the Marg Tex Sand, Reservoir D, for which a unit was established and rules and regulations adopted by Office of Conservation Order No. 648-H-7 effective August 31, 2004.

- 1. To authorize and permit Stone Energy Corporation to drill and designate a substitute unit well for the MT RD SUA, said well located approximately as shown on the plat attached hereto, in exception to the spacing provisions of Office of Conservation Order No. 648-H-7, effective August 31, 2004.
- 2. To find that the proposed subtitute unit well is necessary to efficiently and economically drain a portion of the reservoir covered by the unit which cannot be so drained by any existing well within such unit.
- 3. To find that a tolerance of no closer than 200 feet from the nearest unit line for the proposed substitute unit well is necessary to account for the possible variance between the proposed location and the "as drilled" location.
- 4. Except to the extent contrary herewith, to continue in full force and effect the provisions of Office of Conservation Order No. 648-H-7, the unit created thereby, and applicable Statewide Orders.

5. To consider such other matters as may be pertinent to this application.

The present unit well, the Kaiser-Francis Oil Company - Constantin, et al. No. 1 Well (SN 230017), was drilled in January 2005 and resulted in a dry hole. The proposed substitute unit well is therefore necessary to recover hydrocarbons within the existing unit which would otherwise be lost.

The Marg Tex Sand, Reservoir D, in the West Ridge Field, Lafayette Parish, Louisiana, was fully defined in Office of Conservation Order No. 648-H-7 effective August 31, 2004.

There is attached hereto and made a part hereof a plat identifying the subject unit along with the location of the proposed substitute unit well. Pursuant to the Revised Rules of Procedure, a list of names and addresses of the Interested Owners, Interested Parties and Represented Parties to whom this application is being sent is being furnished only to the Commissioner of Conservation and to the District Manager of the Lafayette District of the Office of Conservation. However, the list will be provided to any party requesting a copy. A diligent effort was made to ascertain the names and addresses of all Interested Owners, Interested Parties and Represented Parties as required by the Revised Rules of Procedure.

Finally, there is enclosed our check on behalf of the applicant, Stone Energy Corporation in the sum of \$755.00 payable to the Office of Conservation and representing the required hearing application fee.

Sincerely,

LEON E. COMEAUX & ASSOCIATES

David Comeaux

DC/cu Enclosures

cc: Mr. Richard Hudson
Office of Conservation
825 Kaliste Saloom Road
Brandywine III, Suite 220
Lafayette, Louisiana 70508-4284

Interested Parties, Interested
Owners and Represented Parties

